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Agricultural and Industrial Progress Depends upon Prosperous Railroads

An Address
Before the Chamber of Commerce of Anderson, South
Carolina, February 24, 1914.

By
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AGRICULTURAL AND INDUSTRIAL PROGRESS DEPENDS UPON PROSPEROUS RAILROADS.

Anderson and Anderson County typify the Progressive South. Here agricultural progress and manufacturing development are advancing side by side. In what is, in many respects, the leading agricultural county in South Carolina and in the entire Piedmont Section you have one of the most important manufacturing developments in the South. Anderson County is far from being the largest in South Carolina in land area, but the census of 1910 showed that the value of farm property in this county exceeded \$24,000,000.00, and amounted to about one-sixteenth of the total value of farm property in the State. Taking the average for a series of years Anderson is the leading county in South Carolina in cotton production. It ranks high in the production of cereals and forage crops and is the first county in the State in the value of live stock.

Your agricultural development alone would make this a prosperous community, but in addition to your agricultural wealth, Anderson County ranks second among all the counties of the State in textile manufacturing. The economic advantage of the location of a cotton mill in proximity to a cotton field was early appreciated by the people of this county, and, in the relatively few years since the construction of the first mill at Pelzer in the early 80's, you have built 18 mills in the county—11 of them in the city of Anderson—and the annual value of their product is in excess of \$14,000,000.00.

Thus far the industrial development of Anderson has been very largely in connection with the textile industry. Mark Twain once reversed the old adage about not putting all of your eggs in one basket by saying something to the effect that it was the best policy to put your eggs in one basket and watch that basket. Without disputing the wisdom of this, as applied to the individual, I do not think that it is the best policy for a community, for the reason that it makes community prosperity depend upon the vicissitudes of a single industry. I believe, therefore, that it should be the aim of commercial organizations in our Southern cities and towns to encourage as far as practicable the diversification of industries. Conditions at Anderson are favorable for a diversified industrial development. You have hard wood forests near at hand and are not far distant from supplies of iron and steel. You have cheap power and a climate which, by reason of its mild winters and its freedom

from the excessive summer heat of many more northern localities, is conducive to the efficiency of labor. I know that the members of this Chamber of Commerce are alive to the importance of these advantages, and I confidently predict that the future will witness the continued industrial growth of Anderson, not only in the textile industry, but along the line of a wider diversification of manufacturing.

The splendid agricultural and industrial development of Anderson and Anderson County is founded upon the natural advantages of this locality, but great as these advantages are, they would have been of little avail without transportation. But for a means of concentration of raw cotton at the mills and the carriage of manufactured goods to the markets of the world there would never have been a cotton mill built in Anderson County, and but for a means of carrying the cotton crop of the county to market it would be absolutely without value. The present agricultural and industrial prosperity of Anderson County has thus been made possible by rail transportation, and your continued progress will be dependent upon the ability of your railways efficiently to handle the increased tonnage which you will produce.

Anderson has had the advantages of rail transportation since the completion of the line of the Greenville and Columbia Railroad to this place in 1853. The Greenville and Columbia Railroad Company proposed to take over the ambitious project abandoned in 1844 by the Louisville, Cincinnati and Charleston Railroad Company, and to complete a trunk line from Charleston to the West by way of Rabun Gap, making Anderson the point of departure for new construction at the eastern end. Work was undertaken and the road was completed and put in operation from Anderson to Walhalla in 1861, when the war between the States put an end to further construction. Since then the people of Anderson have very properly desired the resumption of work along the line of this original project and the construction of the gaps that would make the Blue Ridge Road a part of a through line from the Atlantic Seaboard to the West. In the meantime, however, you have achieved the real purpose of your plan, for you have a direct road to the West along substantially the line of the original project of the Louisville, Cincinnati and Charleston. I have just come from Cincinnati to Anderson over that line in three days and have spent 24 hours at Asheville en route. You are soon to have another through line to the West in the northern extension of the Carolina, Clinchfield and Ohio. Anderson thus has efficient rail transportation to the West, but other lines are still desirable, and old plans are

generally good plans. The extension of the Blue Ridge Road, so as to make it a part of a through line to Knoxville and the West, has not been abandoned. The advantages to be derived from its construction are fully realized. All that restrains us from entering upon the work is the evident responsibility to make our existing railroads better railroads before we undertake new railroads. Under present conditions surrounding the raising of new capital for railway enterprises it is necessary that railway managers shall consider most carefully what is the vital relative importance of the many projects calling for the expenditure of money. Anderson is at present supplied with railway facilities in every direction, as I have already pointed out. Your continued progress is dependent upon the ability of the railways to carry to market your increasing volume of traffic, which, important as it is, is only a small part of the great and constantly growing traffic of the South. The volume of Southern traffic is increasing at a more rapid rate than the railroads of the South have been able to add to their facilities. Under these circumstances, I believe that it is more important to the people of Anderson that, for the immediate future, the railways by which they are served shall devote their resources to increasing and improving facilities on their existing lines rather than consider new construction. With your large and constantly growing business, you are interested in the efficiency of rail transportation over the entire South.

It is natural that people of any locality shall fully appreciate the importance and desirability of railroad disbursements and improvements in their own immediate neighborhood. The railroad manager must take a broader view. He must consider the system as a whole in relation to available resources and give precedence to those betterments that will most facilitate the movement of its traffic as a whole. In taking this broad view he may, at times, in the true and larger interest of the people of a community, run counter to local opinion. The ability of your railroads to do what you would like to have them do and to do what their managers would most assuredly like to do, in your interest as well as their own, is dependent very largely upon the support which they receive from the people of the South. They are operating under a system of public regulation which has gone further into detail of absolute statute law than any system of public regulation, even of the activities of government itself, which the world has ever known. Thus far this regulation has been concerned principally with the correction of abuses which had grown up in former times and the

enforcement of the obligations of the railroads. Whether it shall take cognizance also of the needs of the railroads in their relation to the development of the country is dependent upon public opinion.

The general discussion for several years past of the affairs of the railroads and of their relations to the public has been of great educational value. Railroad managers and employees appreciate better than ever before their duties to the public, and the American people more clearly understand their interest in efficient railroads. Because of the fact that a railroad is a public highway on which all travelers and shippers should have equal rights, under similar circumstances and conditions, and because operating conditions are such that a single company must exercise a monopoly of transportation over it, public regulation is sound in principle, and, under American conditions, I believe is much to be preferred to either unrestricted private control or government ownership and operation. Having faith in the fairness of the American people, I am confident that we shall work out a system of regulation that will be just, both to the public and to the railroads. Such a system, if it is to be in the highest degree successful, will leave to the managers of railway property the largest measure of discretion and the widest opportunity for initiative consistent with the prevention of abuses, and, while guarding against charges that are exorbitant or unreasonably high as measured by the service performed, will recognize that the paramount interest of the public is in efficiency of service and that this can only be secured by an adjustment of charges for service which will leave to the carriers a fair margin of profit over the costs of operation and will attract to railroad investments the new capital that will be needed from time to time if facilities are to be kept fully abreast of the growing demand for transportation.

It has been my duty and my privilege to study the agricultural and industrial progress of the South in relation to transportation, and, in asking the Southern people to become active and militant advocates of public policies that will be just and fair to the railroads, I believe that I am speaking in their interest no less than in that of the railroads of the South. Looking back over what has been accomplished by the people of Anderson and Anderson County and realizing the part that transportation has played in your past progress, I predict with confidence that we shall have such effective and mutually helpful co-operation between this community and the railroads by which it is served as will insure your continued progress and ever increasing prosperity.



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